



# European Market Design Working Group

September 29<sup>th</sup>, 2015



# Agenda



- Agenda & Welcome
- Approval of Minutes of Meeting 29/06/2015
- Short status update on European Harmonised Auction Rules - Viviane Illegems
- Capacity Calculation Regions – Victor Saenz de Miera
- Short status update on Forward Capacity Allocation Network Code - Victor Saenz de Miera
- Status update on NWE+ Intraday Project and Quick Wins/Intermediate solutions on Belgian Borders – Martine Verelst
- Short Status update on Interconnection Belgium-Luxemburg – Thomas Oldenhove
- AOB & Closing remarks

# European Harmonised Auction Rules Joint Allocation Office (JAO)

EMD WG

29 September 2015

Viviane Illegems

# SINGLE ALLOCATION PLATFORM (NC FCA)

**Step 1 : No later than three months after the entry into force...**

- **FCA Article: Common set of TSO Requirements for the establishment of the single allocation platform**

**Step 2 :No later than twelve months after approval of the proposal of step 1**

**FCA Article: ensure that the single allocation platform is operational and complies with the functional requirements as set in step 1.**

**Current situation: no single allocation platform**

# JAO = REGIONAL INITIATIVE FOR A COMMON ALLOCATION PLATFORM

- the common set of 20 TSO requirements for a common allocation platform (merger of two regional allocation platform : CASC.EU – 14 TSO shareholders & CAO – 9 TSO shareholders towards one JAO with 20 TSO shareholders - 50Hertz (DE), Admie (GR), Amprion (DE), APG (AT), EPS (CZ), CREOS (LU), ELES (SI), ELIA (BE), EnerginetDK (DK), HOPS (HR), MAVIR (HU), PSE (PL), RTE (FR), SEPS (SK), Statnett (NO), Swissgrid (CH), TenneT (DE), TenneT (NL), Terna (IT), TransnetBW (DE) );

Implementation: effective from 1/9/2015 on



<http://www.jao.eu/News/>

# JAO



**JAO (= former CASC.EU S.A. and CAO GmbH) to implement a new auction tool and new procedures for capacity allocation** <http://www.jao.eu/News/>

**Testing of the new auction system with market participants will be organized in three phases. Detailed description and testing schedule is foreseen to be published 4 weeks prior the start of each phase:**

## **1. Mid of October 2015**

- Accessing the auction system with use of electronic certificates
- Test of yearly and monthly auctions

## **2. Beginning of December 2015**

- Test of default bids
- Test of daily auctions
- Test of intraday auctions
- Test of Web Services

## **3. Mid of December**

- •Simulation of real daily auctions in the production environment

# EU HAR – MAJOR CHANGES

- Market parties that want to participate in auctions of LTRs or shadow auctions for the CWE borders need to deliver a **new participation agreement** which will be published on the website of the Allocation Platform (i.e. JAO) in two (2) signed copies, together with all duly completed information and documents required by the Allocation Platform at least 7 working days before the respective auctions of TRs take place with delivery from the 1st of January 2016 on and complete the registration process on time/before the Bidding Period closure;
- a product change for the Belgium-French and the Belgium-Dutch border. The LTRs that will be allocated on these Bidding Zone borders with delivery from 1st of January 2016 on will be in the form of **Financial Transmission Rights Options (FTR Options)** instead of Physical Transmission Rights Use-it-or-sell-it (PTRs UIOSI); As such from the 1st of January 2016 on it will be no longer possible for market parties to nominate LTRs for the Belgium-French and the Belgium-Dutch border.
- Only **one LTR auction with a yearly timeframe for the Belgium-Dutch border and the German-Dutch border** will take place according to the proposed change of the Dutch grid code. Consequently, the first yearly LTR auctions, currently scheduled for 15 October 2015, will not take place.

# EU HAR – STATUS NRA APPROVAL

- **CREG** : positive draft decision regarding EU HAR. Draft decision is subject to public consultation (deadline 18 September 2015)
- **CRE** : no official decision yet although no blocking points were communicated to RTE, decision is expected beginning October 2015
- **ACM** : no official decision yet although no blocking points were communicated to Tennet BV, decision is expected beginning October 2015
- **BNetzA** : no official decision yet although no blocking points were communicated to Transnet bw, Tennet GmbH & Amprion , decision is expected end September 2015

Rules for Capacity Allocation by Dispatch Auctions  
17th Feb 2015  
Council of Regulators  
Decision No. 17/2015  
17/2015

13 borders

41 borders

entsoe

Draft Allocation Rules for Forward Capacity Allocation  
2 March 2015

DRAFT



# Capacity Calculation Regions

EMD WG

Brussels, 29/09/2015

Victor Saenz de Miera

# Forward Capacity Allocation Network Code

EMD WG

Brussels, 29/09/2015

Victor Saenz de Miera

# XBID NWE+ project

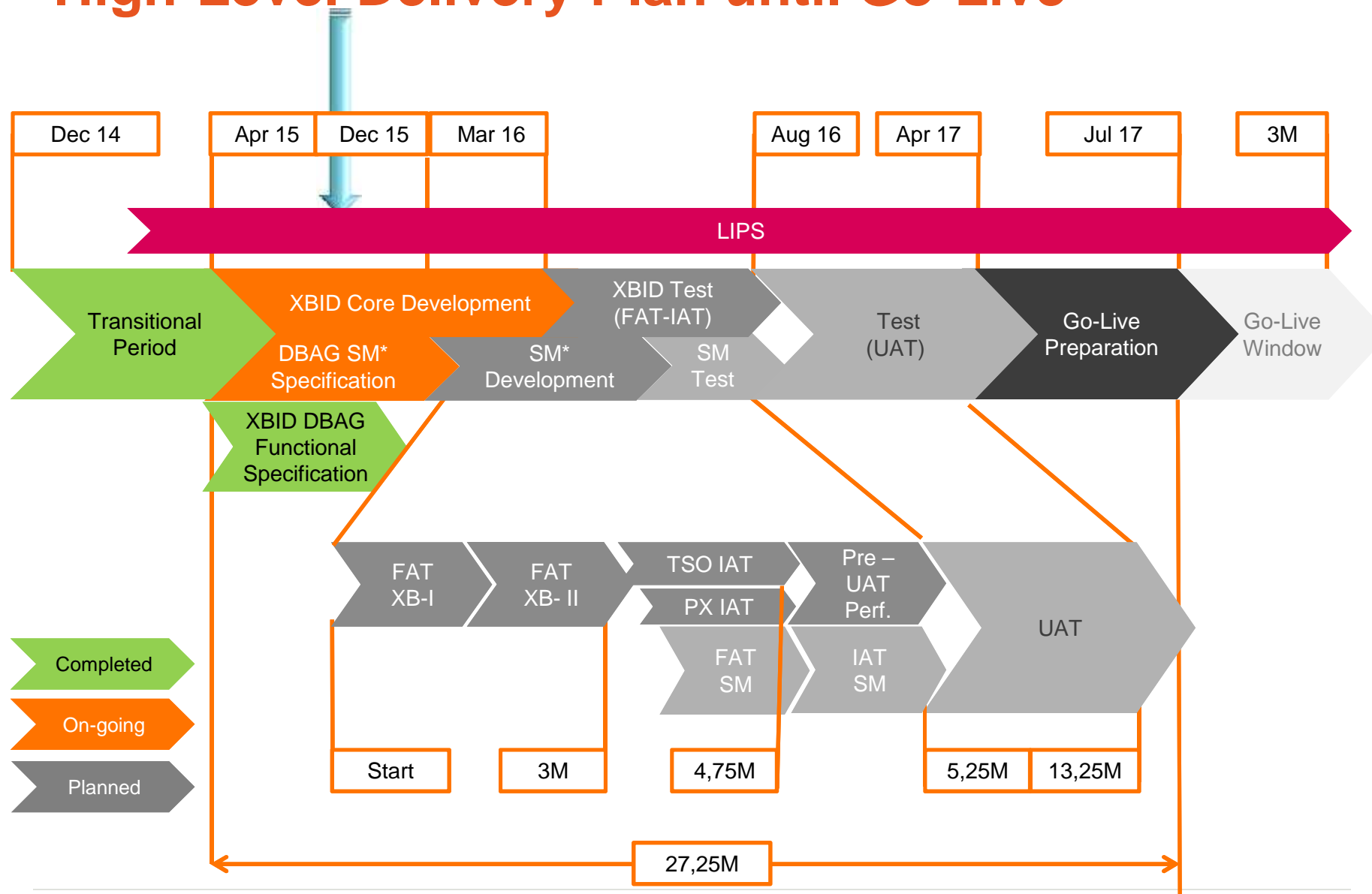
Status Update

EMD WG

Brussels, 29/09/2015

Martine Verelst

# High-Level Delivery Plan until Go-Live



\*SM – Shipping Module

# Project Progress – key achievements

- **Physical contract signature by DBAG and Power Exchanges is complete** (Master Service Agreement - MSA, and License & Development Deliverable Service Agreements - DSAs).
- The **Functional Specifications phase of the project has been successfully completed** (April to June) and in line with the plan. This is a very significant achievement.
- The **requirements for the Shipping Module have been finalised** with consensus having been reached amongst all parties.
- Agreement has been reached on a **new performance improvement option** ('NextGen') proposed by DBAG. This performance improvement delivers 'in/out memory' processing which will be a positive development for the project
- The **negotiations for the Hosting and Maintenance contracts are underway**
- All PXs have confirmed their position with regards to using **a Local Trading Solution**
- The **hardware for the Customer Test Environments have been ordered** by DBAG
- Scenarios have been outlined and reviewed for the accession of non-NWE+ parties to XBID and a letter prepared in readiness to be sent to these parties
- The NWE+ TSO's are putting into place **annual financial audits of the affected PXs and quarterly reviews of expenditure** in line with the NRAs' Statement of Principles
- Steps to achieve a more collaborative approach between DBAG and the Project Parties have been taken.

# Quick Wins & intermediate solutions On Belgian borders

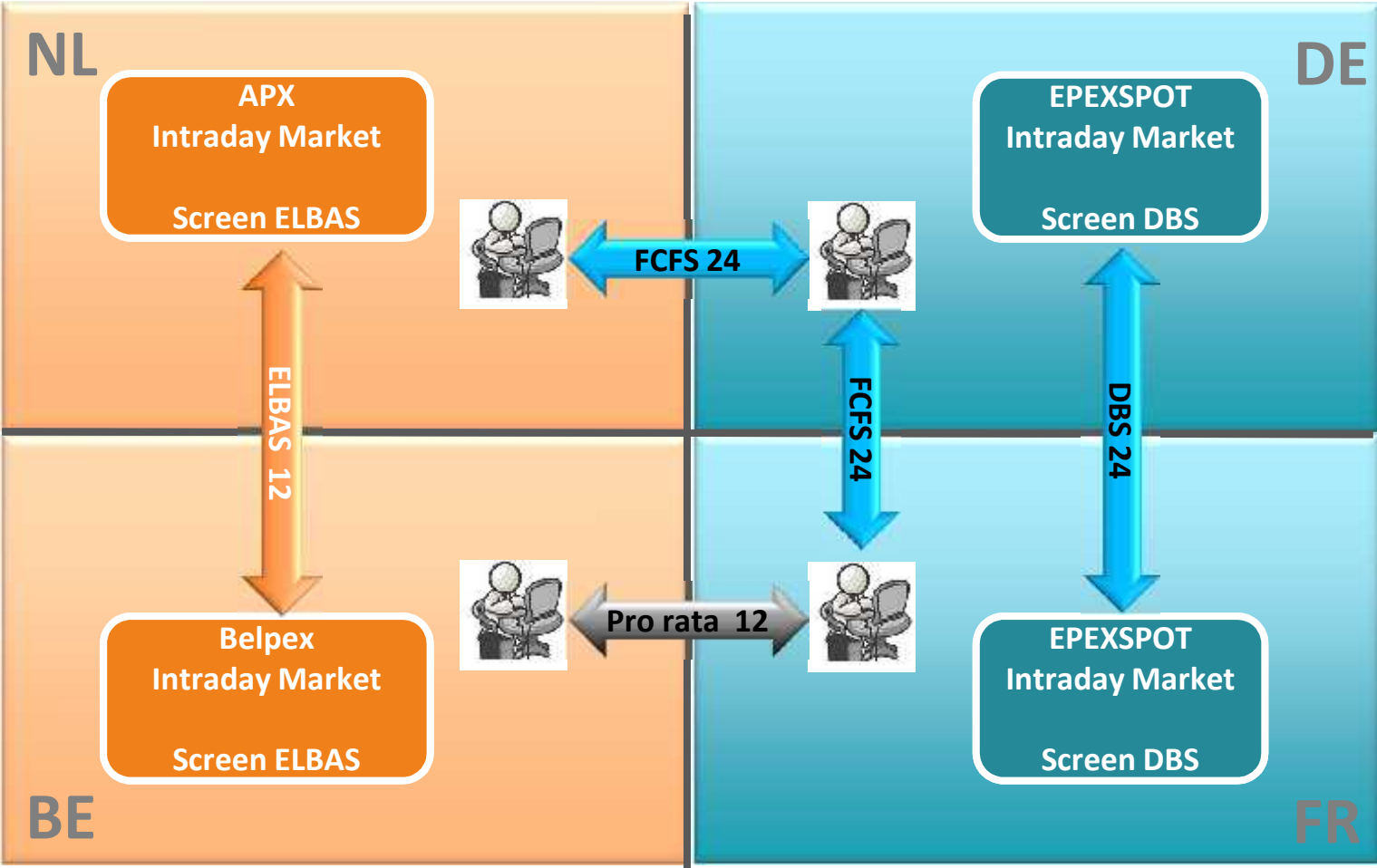
Status Update

EMD WG

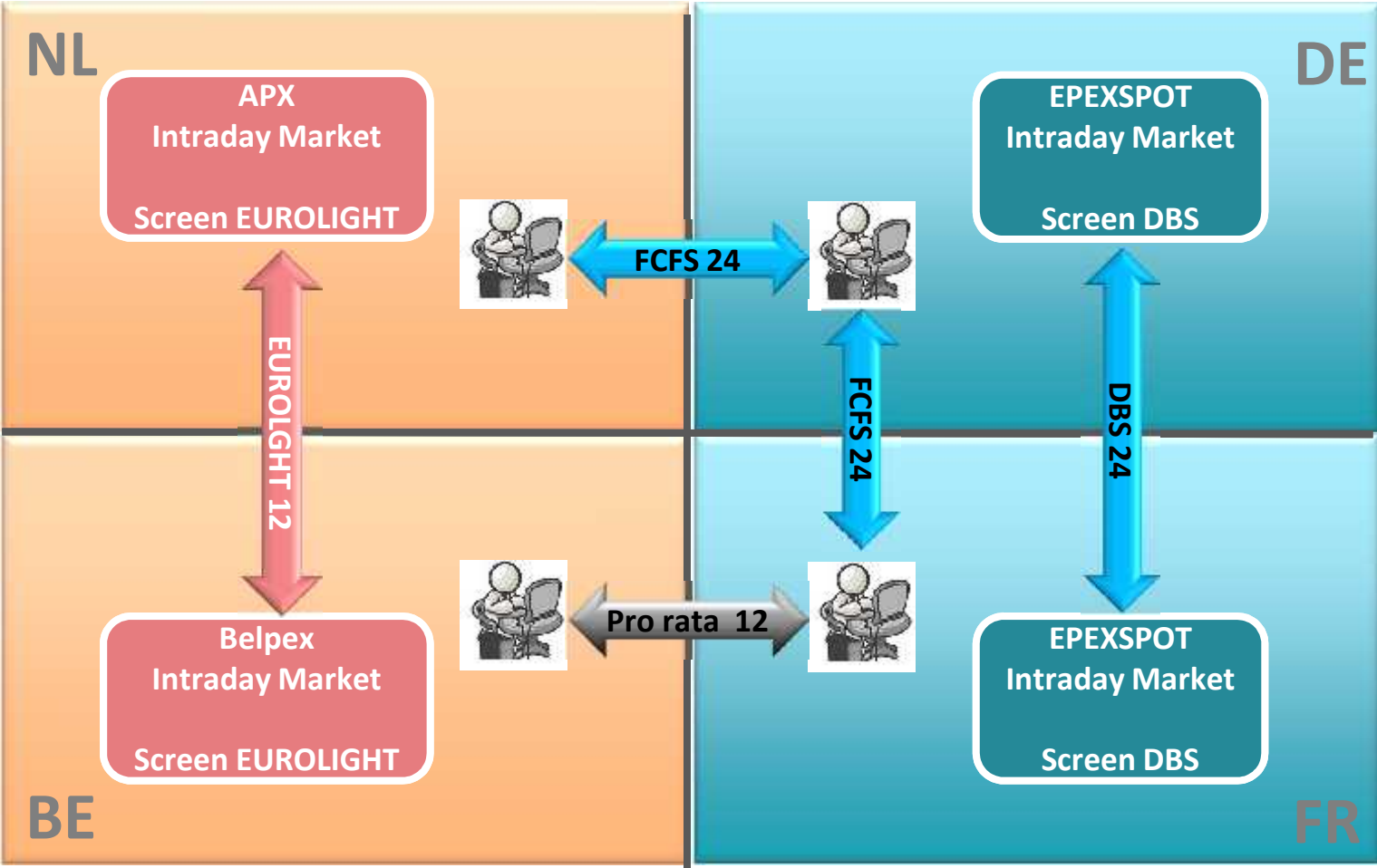
Brussels, 29/09/2015

Martine Verelst

# SITUATION < 8 SEPT 2015

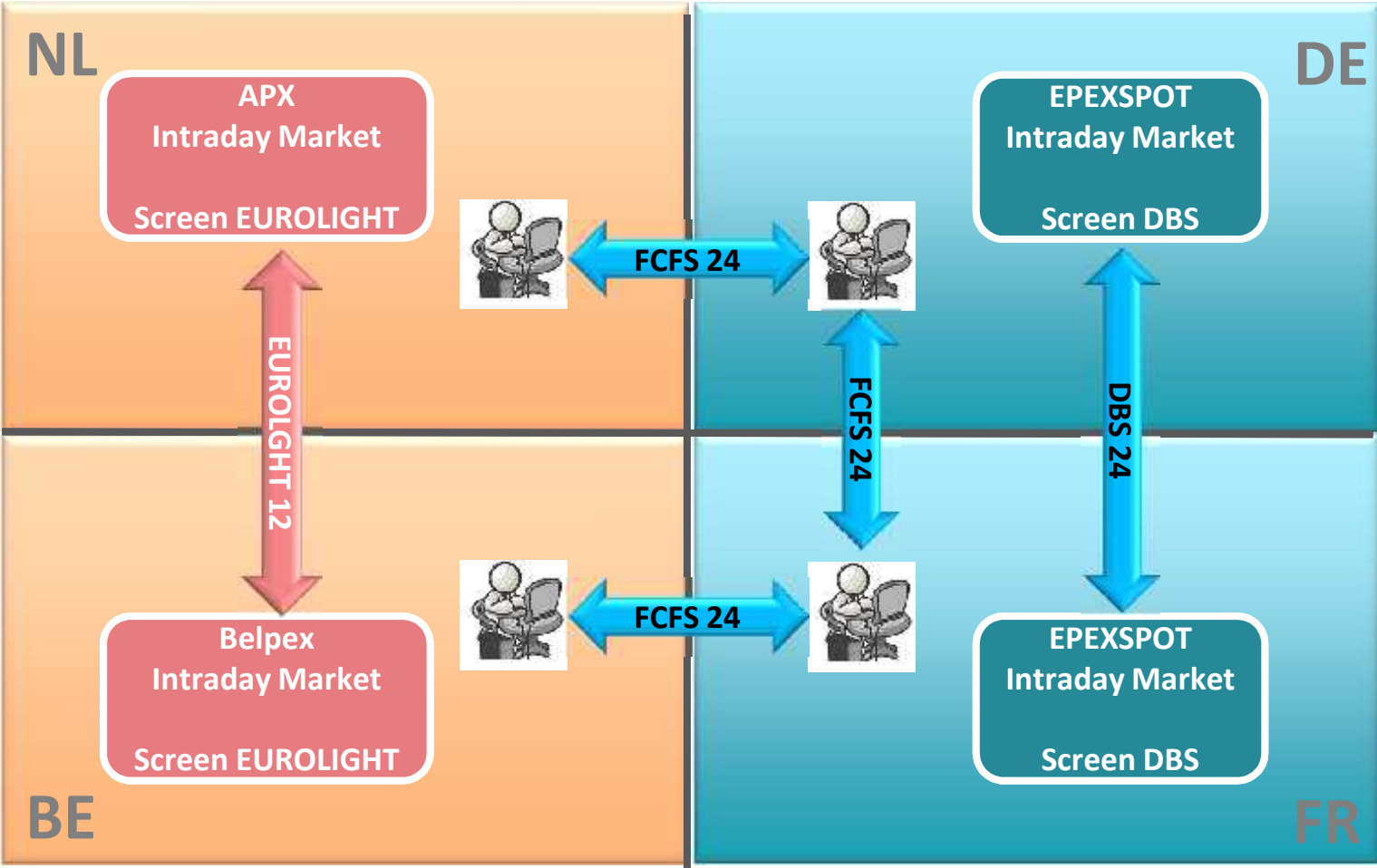


# CURRENT SITUATION

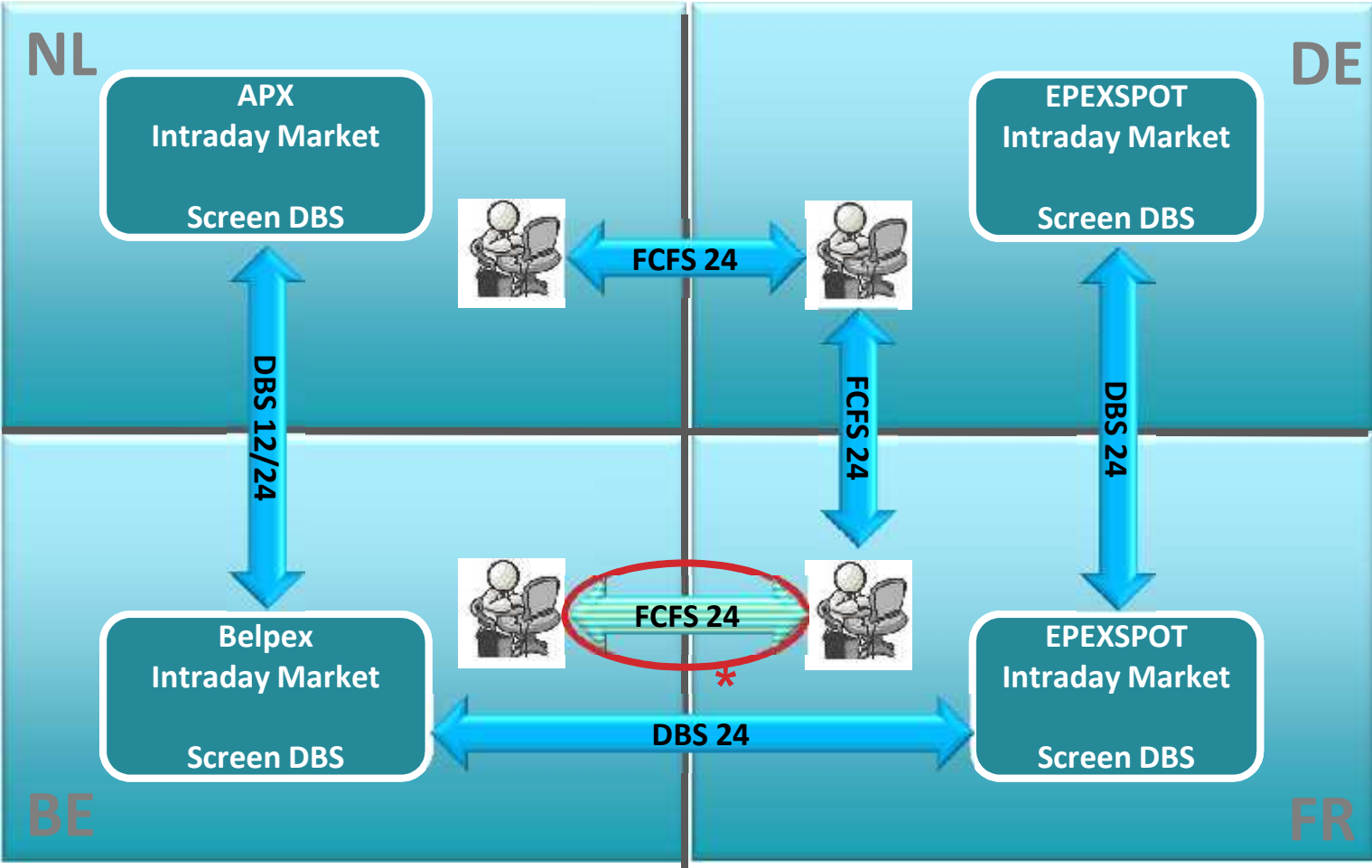




# STEP 1



# STEP 2



\* Subject to outcome of the CREG/CRE consultation

# Interconnection Belgium-Luxemburg

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Brussels, 29/09/2015

Thomas Oldenhove

# Agenda

1. Reminder of General Context
2. Capacity allocation
3. Project Status

# 1. Reminder of general context

## **Objectives:**

- Security of supply of Luxembourg
- Improve market integration between BE and DE bidding zones

## **Grid situation:**

- First phase starts with the commissioning of the phase shifter transformer (PST).
- Elia and CREOS will reuse existing infrastructures to create the new interconnection

## **Planning:**

- The commissioning of the infrastructure regarding the interconnector between Belgium and Luxembourg is, according to the planning established by Creos, currently scheduled in Q1 2016. (2 months delay)
- Commercial go-live will be communicated later on.

## 2. Capacity Allocation

### Capacity allocation:

- A stepwise approach in capacity calculation/allocation was chosen by concerned TSOs. First, a **day-ahead capacity allocation** will be implemented on the new interconnection.
- The new BE-LU interconnection will be integrated in the **CWE FB allocation methodology** (capacity calculation and capacity allocation). Shadow auctions will be implemented as fallback.
- After gaining experiences with the BE-LU interconnection, **long term and intraday capacity products** for this interconnection will be added in a later phase.

## 3. Project Status

### **Current status of the BEDELUX project:**

- End of July, the approval package drafted by Creos and Elia was sent as part of their formal approval request towards ILR and CREG.
- Integration of BE-LU interconnection in the CWE FB allocation (systems, procedures, agreements, ..) with CWE partners is ongoing.
- Operation procedures are being drafted by the three involved TSOs (Amprion, Creos & Elia).
- Discussions with CWE NRAs are ongoing about the procedure on how to proceed for updating annexes of the FB methodology.

# AOB

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## Next meeting

Proposal : Month of December 2015

Doodle will be sent